

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CASSANDRA SHIH,

Plaintiff,

v.

PETAL CARD, INC. f/k/a/  
CREDITBRIDGE, INC., ANDREW  
ENDICOTT, JASON GROSS, DAVID  
EHRICH, BERK USTUN, JACK  
ARENAS, BROOKLYN BRIDGE  
VENTURES, INC., and JOHN DOE and  
JANE DOE, John Doe and Jane Doe being  
shareholders of Petal Card, Inc. that are not  
known to the Plaintiff at the time of the  
commencement of this action,

Defendants.

CIVIL ACTION NO. 1:18-cv-5495

**DECLARATION OF ANDREW ENDICOTT**

I, Andrew Endicott, hereby declare as follows:

1. I am a Defendant in the above-captioned matter.
2. I make this Declaration based upon my own knowledge, information, and belief.
3. I am competent to testify as to the matters set forth in this Declaration.
4. Attached hereto are the following Exhibits:

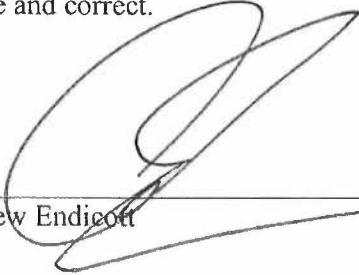
Exhibit A, a May 9, 2015 e-mail I sent to Plaintiff Cassandra Shih with the subject line “Big Questions,” which Plaintiff referenced in Paragraphs 72 and 81 of her Complaint.

Exhibit B, a June 6, 2015 email I sent to Plaintiff with the subject line “Slide Deck,” and its accompanying attachment, a file titled “CreditBridge – Business Plan Deck.pptx,” which Plaintiff referenced in Paragraphs 91-95, 166, 169, 172, and 176 of her Complaint.

Exhibit C, a blog post from Petal Card, Inc.’s website, which is publicly available.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 10, 2018



Andrew Endicott

## **EXHIBIT A**



Andrew Endicott &lt;andrew.endicott@gmail.com&gt;

## Big Questions

Andrew Endicott <andrew.endicott@gmail.com>  
 To: Cassandra Shih <Shihcass@gmail.com>

Sat, May 9, 2015 at 11:59 AM

Cassie,

I've spent some time this morning thinking about the credit bridging idea and have some items (I've tried to keep the number of questions small so we can really dig down) that we should work on answering next week to fill out a business plan. Does it sound good to you to aim to have this done Saturday of next week?

I propose we split things up as follows. Can you take Section B below - that part is going to be critical to communicate to basically all our stakeholders that (i) we understand the risks we're taking on and (ii) our revenues / reserves are sufficient to cover those risks. I will take Sections A & C. As far as depth, I think we should approach each section as if we were creating the data support / rationale for a reasonably wonk-ish presentation slide on each point. We will then use that support to actually pull together a real presentation slide on each topic.

You noted that we should think about raising money in your last message. I agree, and I've been looking into it as I research. The main thing we should be doing now to advance fundraising though is nailing down the business model. That said, I will start cataloging people we could reach out to for financing and share that with you once it's in good shape.

Last - any thoughts on a business name for this? I imagine anything with immigrant / emigrant, bridge, or the like would be good ideas to consider.

Of course, let em know your thoughts on the above. Have a great weekend!

Regards,  
 Andrew

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### HERE ARE THE QUESTIONS:

- A - Borrowers:
  1. Exactly how many financially stable / wealthy (in home country) immigrants are there? How many arrive annually? Need to set up a definition of what we consider to be financial strength (ideally based off some pre-existing industry definition) and view the immigration / population data from there, if possible.
- B - Risk Assessment:
  1. We should attempt to really dig down and figure out what consumer credit information would be available from outside a select country? For simplicity purposes, let's go with New Zealand b/c it's (i) English speaking, (ii) relatively affluent, and (iii) you're familiar with it. Can you figure out what New Zealand laws say about foreign entities pulling credit / consumer finance information? Critically, can consumers opt-into sharing information with outsiders?
    - o Relatedly, does New Zealand have quantitative credit scores like FICO in the US? If they do, it will go a long way in convincing investors / banks that we can measure our risk and keep it in check. Also, can they be shared outside NZ (related to question B(1) above)?
- C - Regulatory:
  1. How much reserve capital are guarantors legally required to hold against their liabilities?
  2. What are the start-up burdens (e.g., regulatory filings, capital requirements) associated with setting up an entity like the one we're suggesting? My suspicion is that this idea falls into the "insurance company" category, which is going to carry with it some strict regulatory requirements.

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Andrew M. Endicott  
Harvard Law School | J.D. 2012  
University of Arkansas | B.S.B.A. 2009  
andrew.endicott@gmail.com | (501) 609-6688

## **EXHIBIT B**

Andrew Endicott <[andrew.endicott@gmail.com](mailto:andrew.endicott@gmail.com)>

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## Slide Deck

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**Andrew Endicott** <[andrew.endicott@gmail.com](mailto:andrew.endicott@gmail.com)>  
To: Cassandra Shih <[Shihcass@gmail.com](mailto:Shihcass@gmail.com)>

Sat, Jun 6, 2015 at 6:05 PM

Cassie,

Here's the slide deck I'm referring to.

Regards,  
Andrew

--

Andrew M. Endicott  
Harvard Law School | J.D. 2012  
University of Arkansas | B.S.B.A. 2009  
[andrew.endicott@gmail.com](mailto:andrew.endicott@gmail.com) | (501) 609-6688

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 CreditBridge - Business Plan Deck.pptx  
64K

# CreditBridge

Building a bridge to a normal financial life for today's immigrants

## Opening the American Credit System to Newcomers

CreditBridge is filling a gap in the American credit structure and enabling immigrants to live fuller lives

### The Immigrants / Credit Problem

- New immigrants face significant difficulties in obtaining most kinds of credit
  - Credit cards
  - Apartment leases
  - Mortgages
  - Even cell phone plans
- Lack of traditional credit history data is the cause of this problem – results for various reasons:
  - Inconsistent data collection regimes
  - Different organizations worldwide
  - International privacy laws

### How CreditBridge is the Solution

- CreditBridge is an alternative lending partners for economically stable immigrants
  - Collects data to understand wherewithal of potential immigrant-borrowers and
  - Analyzes domestic and country of origin borrowing history data
  - Partners with financial institutions to lend funds to immigrants that qualify

## A Large, Un-addressed, Rapidly-Growing Market

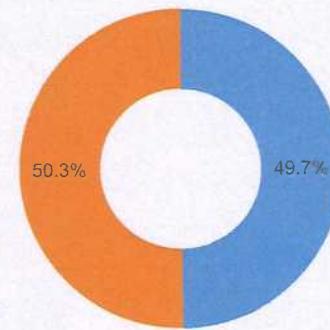
The immigrant consumer credit market is largely ignored by existing financial institutions despite its significant size

### Market Size

- Potential addressable market of \$800mm
  - Includes:
    - Potential lease guaranty
    - Potential credit card lending
- Market size increases dramatically once mortgage lending is incorporated

### Market Size by Segment

- The potential addressable market for immigrant consumer finance is approximately equally split between lease guaranty and credit card lending



■ Credit Card ■ Lease Guaranty

## Fragmented Competitive Landscape

A number of entities serve portions of the migrant consumer credit market although none directly

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## Primary Product Offering

Lease guarantees and credit card lending will be the initial products, with mortgage products further on the horizon

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## Credit Modeling

CreditBridge's proprietary credit model assesses risks and informs the lending process

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## Attracting Quality Borrowers

The Company's unique blend of marketing techniques will enable it to ensure a steady supply of quality borrowers

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## Managing Liabilities

The Company intends to utilize a number of funding sources to drive its model

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## Unique Technological Platform

Our credit platform will be supported by best-in-class technology

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## Perceived Risks and Realities

Despite the presence of a few risks, the business model has no major obstacles to implementation

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## Financial Summary

Our projections for the first five years of operations are based on conservative assumptions

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## **EXHIBIT C**

[The Card](#)[The Company](#)[Log in](#)[Apply now](#)

## Credit with a conscience.

[Read more](#)

**P**etal is a new kind of credit card company established to help people build credit, not debt, by providing a credit card with no fees,<sup>1</sup> no financial traps and no prior experience with credit required. You can read more about our pricing at the bottom of the post, but simply put, we're a credit card company built to help people financially succeed.

Tens of millions of Americans have no credit score at all, and millions more have short credit histories that may not tell the whole story. That's a problem since building credit is a necessity for many of life's most important milestones, like buying your first car, starting a small business, or purchasing a home. And bad credit can cost as much as \$250,000 over the course of your lifetime (in fees, interest and other charges).<sup>2</sup>

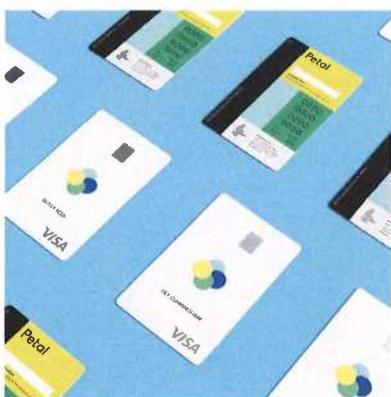
Many of today's credit systems, products, and services aren't exactly designed to help these people succeed. Starter cards often come with high interest rates, very low limits, and lots of fees.<sup>3</sup> In fact, the credit card industry rakes in a whopping \$50B in fees each year.<sup>4</sup> The hard truth is that many people hoping to build credit, end up building debt instead.

Fees were the first thing we got rid of. No overdraft fees, late fees, international fees, annual fees, or any-other-kind-of-fee, fees.

Then we thought about ways to use modern technology, and a little bit of common sense, to help more people qualify. And that gave us Petal, a Visa credit card with high limits and low rates that you can qualify for *even if you've never used credit before*.

We're thrilled to announce today that the Petal credit card is now publicly available on our website at [www.petalcard.com](http://www.petalcard.com)

**"...we thought about ways to use modern technology, and a little bit of common sense, to help more people qualify."**



# Petal

[The Card](#)[The Company](#)[Log in](#)[Apply now](#)

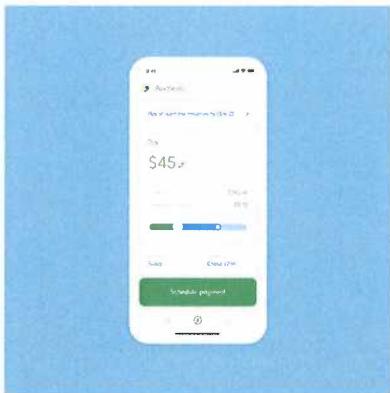
Our technology helps more people qualify for a credit card, even if they don't have a credit history. It's common sense--we look at the money you make and the bills you already pay to see if you qualify instantly. Petal is designed to give people access where others won't. The card is backed by some of the best partners in the industry, and works anywhere Visa is accepted.

Millions of Americans who are considered 'credit invisible' by the big banks will now have the opportunity to build credit responsibly with Petal.

And it's not just a new piece of plastic, it's a new kind of product designed to help you succeed.

We've worked hard to create a radically simplified user interface and mobile app, making it effortless to manage your money, track your spending, and build credit without thinking much about it. We show you all of your accounts in one place, send you timely payment reminders to stay on track, and let you automate payments so you never miss a beat. And before you carry a balance past your due date and pay interest, Petal tells you in actual dollars – not just percentage rates – how much it's going to cost. You won't find many other credit cards doing that.

**"Millions of Americans who are considered 'credit invisible' by the big banks will now have the opportunity to build credit responsibly with Petal."**



Petal was created because we think it's about time a credit card company helped people financially succeed.

Petal is made up of designers, engineers, product people, advocates, and industry vets who know what to do (and what *not* to do). We're using better technology to create the most advanced, intuitive, and user-friendly credit cards on the planet, designed, from the ground up, to help you to financially succeed.

**Petal is credit with a conscience.**

1. Variable APRs range from 14.74 - 25.74%.
2. <https://www.businessinsider.com/cost-of-credit-score-over-lifetime-2014-11>
3. <https://www.creditkarma.com/credit-cards/no-credit>
4. <https://www.fool.com/credit-cards/2017/04/13/this-is-how-credit-card-companies-hauled-in-163-bi.aspx>

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The Petal credit card is issued by WebBank, Member FDIC.